

BALL JANIK LLP

A T T O R N E Y S

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LOUIS E. GITOMER
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(202) 466-6532

July 14, 1999

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO.

FILED

JUL 14 '99

12-30PM

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement, a primary document, dated as of July 14, 1999. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Security Agreement are:

Lender:

Banc One, Texas, N.A.
1717 Main Street, 3rd Floor
Dallas, TX 75201

Borrower:

Sperry Rail, Inc.
46 Shelter Rock Road
Danbury, CT 06810

A description of the equipment covered by the Memorandum of Security Agreement consists of 25 induction railbound detector-inspection cars numbered SRS 118, 119, 123-132, inclusive, 134-139, inclusive, 141-146, inclusive, and 149; and 17 ultrasonic railbound detector-inspection cars numbered SRS 403, 701, and 803-817, inclusive.

BALL JANIK LLP

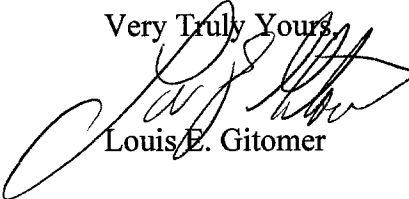
Honorable Vernon A. Williams
July 14, 1999
Page 2

A fee of \$ 26.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement between Banc One, Texas, N.A., 1717 Main Street, 3rd Floor, Dallas, TX 75201, and Sperry Rail, Inc., 46 Shelter Rock Road, Danbury, CT 06810, covering 25 induction railbound detector-inspection cars numbered SRS 118, 119, 123-132, inclusive, 134-139, inclusive, 141-146, inclusive, and 149; and 17 ultrasonic railbound detector-inspection cars numbered SRS 403, 701, and 803-817, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

MEMORANDUM OF SECURITY AGREEMENT JUL 14 '99

12-30PM

The parties hereto entered into that certain Security Agreement (the "Agreement") dated as of July 14, 1999, attached and incorporated by reference thereto, by and between Bank One, Texas, N.A. (in its capacity as Administrative Agent for certain lenders under a Credit Agreement of even date herewith involving Rockwood Service Corporation as borrower, "Administrative Agent"), having a place of business located at 1717 Main Street, 3rd Floor, Dallas, Texas 75201, certain other parties, and Sperry Rail, Inc. ("Debtor"), having its principal place of business located at 46 Shelter Rock Road, Danbury, CT 06810, pursuant to which Debtor hereby assigns, pledges and hypothecates to Administrative Agent and grants to Administrative Agent a continuing first priority interest in and to, all of its present and future right, title and interest in, to and under all of the following Equipment described on Schedule A-1 attached hereto.

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Memorandum to be duly executed in its respective corporate name by an officer duly authorized and hereby declares pursuant to 28 U.S.C. 1746 under penalty of perjury that this Memorandum is a true and correct document and was executed as of July 14, 1999.

Bank One, Texas, N.A.,
as Administrative Agent

Sperry Rail, Inc.

By: 
Its: V.P.

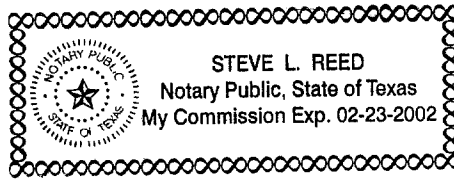
By: 
Its: TREASURER.

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

On this 13th day of July, 1999, before me personally appeared ALAN MILLER to me personally known, who being by me duly sworn, says that he is the VP of Bank One, Texas, N.A., that the foregoing instrument was signed on behalf of said entity, and he acknowledged that the execution of the said instrument was the free act and deed of said entity.


Steve L. Reed
Notary Public in and for Dallas County, Texas

My Commission Expires:
2-23-2002



STATE OF CONNECTICUT)
) ss.
COUNTY OF FAIRFIELD)

On this 12th day of July, 1999, before me personally appeared HAROLD B. FINCH to me personally known, who being by me duly sworn, says that he is the TREASURER of Sperry Rail, Inc., that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was the free act and deed of said corporation.


Notary Public in and for CT County, Fairfield

My Commission Expires:

BARBARA M. HICKS
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2000

**Bank One, Texas, N.A.,
As Administrative Agent**

SCHEDULE A-1

QUANTITY	DESCRIPTION	PAGE
<hr/>		
LOCATION:	46 SHELTER ROCK ROAD DANBURY, CT 06810 FAIRFIELD COUNTY	1
15	REBUILT INDUCTION RAILBOUND DETECTOR-INSPECTION CARS CAR NUMBER 118 - INDUCTION ULTRASONIC REBUILT 1976 CAR NUMBER 119 - INDUCTION ULTRASONIC REBUILT 1976 CAR NUMBER 123 - INDUCTION ULTRASONIC REBUILT 1979 CAR NUMBER 124 - INDUCTION ULTRASONIC REBUILT 1974 CAR NUMBER 125 - INDUCTION ULTRASONIC REBUILT 1978 CAR NUMBER 126 - INDUCTION ULTRASONIC REBUILT 1972 CAR NUMBER 127 - INDUCTION ULTRASONIC REBUILT 1980 CAR NUMBER 128 - INDUCTION ULTRASONIC REBUILT 1981 CAR NUMBER 129 - INDUCTION ULTRASONIC REBUILT 1973 CAR NUMBER 130 - INDUCTION ULTRASONIC REBUILT 1976 CAR NUMBER 131 - INDUCTION ULTRASONIC REBUILT 1972 CAR NUMBER 132 - INDUCTION ULTRASONIC REBUILT 1975 CAR NUMBER 134 - INDUCTION ULTRASONIC REBUILT 1978 CAR NUMBER 135 - INDUCTION ULTRASONIC REBUILT 1977 CAR NUMBER 136 - INDUCTION ULTRASONIC REBUILT 1978	
10	INDUCTION RAILBOUND DETECTOR-INSPECTION CARS CAR NUMBER 137 - INDUCTION ULTRASONIC BUILT 1970 CAR NUMBER 138 - INDUCTION ULTRASONIC BUILT 1971 CAR NUMBER 139 - INDUCTION ULTRASONIC BUILT 1972 CAR NUMBER 141 - INDUCTION ULTRASONIC BUILT 1973 CAR NUMBER 142 - INDUCTION ULTRASONIC BUILT 1974 CAR NUMBER 143 - INDUCTION ULTRASONIC BUILT 1974 CAR NUMBER 144 - INDUCTION ULTRASONIC BUILT 1975 CAR NUMBER 145 - INDUCTION ULTRASONIC BUILT 1975 CAR NUMBER 146 - INDUCTION ULTRASONIC BUILT 1975 CAR NUMBER 149 - INDUCTION ULTRASONIC BUILT 1986	
1	ULTRASONIC RAILBOUND DETECTOR - INSPECTION CAR CAR NUMBER 403 ULTRASONIC BUILT 1986	
16	HI-RAIL ULTRASONIC RAILBOUND DETECTOR-INSPECTION RAIL CARS CAR NUMBER 701 - HI-RAIL- ULTRASONIC BUILT 1982 1FDNN70H1BVJ38148 CAR NUMBER 803 - HI-RAIL- ULTRASONIC BUILT 1989 1FDXR82A5KVA24238 CAR NUMBER 804 - HI-RAIL- ULTRASONIC BUILT 1990 1FDXR72A8LVA17053 CAR NUMBER 805 - HI RAIL - ULTRASONIC BUILT 1990 1FDXR72AXLVA17054 CAR NUMBER 806 - HI-RAIL- ULTRASONIC BUILT 1992 1FDXR70U6GVA51222 CAR NUMBER 807 - HI-RAIL- ULTRASONIC BUILT 1992 1FDNR72C9TVA00304 CAR NUMBER 808 - HI-RAIL- ULTRASONIC BUILT 1993 1FDXR72C4PVA08020 CAR NUMBER 809 - HI RAIL - ULTRASONIC BUILT 1993 1FDXR72C8PVA08019	

CAR NUMBER 810 - HI-RAIL- ULTRASONIC BUILT 1993 1FDXR72C6PVA08018
CAR NUMBER 811 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR72C1SVA39623
CAR NUMBER 812 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR72C6SVA49869
CAR NUMBER 813 - HI RAIL - ULTRASONIC BUILT 1995 1FDXR72C4SVA49868
CAR NUMBER 814 - HI-RAIL- ULTRASONIC BUILT 1996 1FDXR82E2SVA82343
CAR NUMBER 815 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR82E4SVA82344
CAR NUMBER 816 - HI-RAIL- ULTRASONIC BUILT 1995 1FDXR82E3TVA13940
CAR NUMBER 817 - HI RAIL - ULTRASONIC BUILT 1995 1FDXR82E2TVA13735

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS,
REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.